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**VILLAGE OF DOWNSVILLE
LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/15/09

VILLAGE OF DOWNSVILLE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2008

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DON M. MCGEHEE
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ACCOUNTANT'S COMPILATION REPORT

The Honorable Reggie Skains, Mayor
and Council Members
Village of Downsville
P.O. Box 128
Downsville, Louisiana 71234

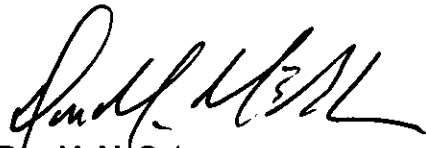
I have compiled the accompanying financial statements of the government activities, business type activities, and each major fund of the Village of Downsville, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the Village of Downsville's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Village of Downsville. I have not audited or reviewed the accompanying basic financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Village has not presented *management's discussion and analysis* that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison information, on page 13, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have compiled the supplementary information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



Don M. McGehee
Certified Public Accountant
June 2, 2009

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 6,423	\$ 0	\$ 6,423
Accounts Receivable, net	0	5,621	5,621
Taxes Receivable	1,160	0	1,160
Internal Balances	7,284	(7,284)	0
Prepaid Expenses	191	525	716
Noncurrent Assets:			
Restricted Cash	0	29,460	29,460
Capital Assets, net	380,230	1,088,094	1,468,324
Other Assets	0	30	30
TOTAL ASSETS	<u>\$ 395,288</u>	<u>\$ 1,116,446</u>	<u>\$ 1,511,734</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 557	\$ 30,894	\$ 31,451
Retainage Payable	0	14,800	14,800
Accrued Expenses	0	406	406
Accrued Interest Payable	0	987	987
Current Portion of Revenue Bonds Payable	0	5,325	5,325
Noncurrent Liabilities:			
Customer Deposits	0	11,827	11,827
Revenue Bonds Payable	0	168,312	168,312
TOTAL LIABILITIES	<u>557</u>	<u>232,551</u>	<u>233,108</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	380,230	913,470	1,293,700
Restricted for Repairs and Maintenance	0	12,077	12,077
Restricted for Debt Service	0	9,149	9,149
Unrestricted	14,501	(50,801)	(36,300)
TOTAL NET ASSETS	<u>394,731</u>	<u>883,895</u>	<u>1,278,626</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 395,288</u>	<u>\$ 1,116,446</u>	<u>\$ 1,511,734</u>

See accountant's compilation report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 3,100	\$ 0	\$ 20,955	\$ 0	\$ 17,855	\$ 0	\$ 17,855
Police	10,519	0	5,100	0	(5,419)	0	(5,419)
Streets	2,854	0	0	0	(2,854)	0	(2,854)
Parks and Recreation	1,050	0	0	0	(1,050)	0	(1,050)
TOTAL GOVERNMENTAL ACTIVITIES	17,523	0	26,055	0	8,532	0	8,532
BUSINESS-TYPE ACTIVITIES:							
Water and Sewer	125,672	70,544	0	29,132	0	(25,996)	(25,996)
TOTAL PRIMARY GOVERNMENT	143,195	70,544	26,055	29,132	8,532	(25,996)	(17,464)
GENERAL REVENUES:							
Franchise Tax					4,917	0	4,917
Revenue Sharing					12	0	12
Licenses					40	0	40
Investment Earnings					12	154	166
Other Revenue					1,514	0	1,514
TRANSFERS					2,392	(2,392)	0
TOTAL GENERAL REVENUES AND TRANSFERS					8,887	(2,238)	6,649
CHANGE IN NET ASSETS					17,419	(28,234)	(10,815)
NET ASSETS-BEGINNING					377,312	912,129	1,289,441
NET ASSETS-ENDING					\$ 394,731	\$ 883,895	\$ 1,278,626

FUND FINANCIAL STATEMENTS

VILLAGE OF DOWNSVILLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
GENERAL FUND
DECEMBER 31, 2008

ASSETS

Cash	\$ 6,423
Franchise Tax	
Receivable	1,160
Due from Water and Sewer Fund	7,284
Prepaid Insurance	<u>191</u>

TOTAL ASSETS	\$ <u>15,058</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts Payable	\$ <u>557</u>
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TOTAL LIABILITIES	<u>557</u>
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FUND BALANCE (DEFICIT):

Unreserved	<u>14,501</u>
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TOTAL FUND BALANCE (DEFICIT)	<u>14,501</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$ <u>15,058</u>
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RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Total Fund Balance-Governmental Fund	\$ 14,501
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Amounts Reported for Governmental Activities in the
Statement of Net Assets are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>380,230</u>
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Net Assets of Governmental Activities	\$ <u>394,731</u>
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See accountant's compilation report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--GOVERNMENTAL FUND
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUES

Franchise Taxes	\$ 4,917
Licenses	40
Intergovernmental	
State Supplemental Pay	5,100
Revenue Sharing	12
Contributions	20,955
Miscellaneous	1,514
Interest	12
TOTAL REVENUES	<u>32,550</u>

EXPENDITURES

General Government	
Beautification Committee	1,526
Dues	40
Miscellaneous	1,364
Office Supplies	68
Police Department	
Auto Expense	185
Insurance	765
Miscellaneous	187
Salaries	9,360
Street Department	
Street Lights	2,854
Park and Recreation Department	
Dues	550
Miscellaneous	300
Mowing Fees	200
Capital Outlay	1,216
TOTAL EXPENDITURES	<u>18,615</u>

EXCESS OF REVENUES OVER EXPENDITURES	13,935
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OTHER FINANCING SOURCES

Operating Transfer In--Water and Sewer Fund	2,392
TOTAL OTHER FINANCING SOURCES	<u>2,392</u>

EXCESS OF REVENUES OVER EXPENDITURES AND OTHER SOURCES	16,327
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FUND DEFICIT-BEGINNING	<u>(1,826)</u>
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FUND BALANCE-ENDING	<u>\$ 14,501</u>
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See accountant's compilation report.

VILLAGE OF DOWNSVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS **\$ 16,327**

Amounts reported for Governmental Activities in the
Statement of Activities are Different Because:

Governmental Funds report capital outlays as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. To reconcile the difference in accounting between the fund accounting method and the government-wide method, an adjustment is necessary to recognize the difference by which depreciation expense recognized in the government-wide statements exceeds capital outlay in the governmental fund statements.

1,092

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 17,419**

VILLAGE OF DOWNSVILLE, LOUISIANA**STATEMENT OF NET ASSETS****PROPRIETARY FUND****DECEMBER 31, 2008**

	<u>Water and Sewer Enterprise Fund</u>
ASSETS	
CURRENT ASSETS:	
Accounts Receivable, net	\$ 5,621
Prepaid Insurance	<u>525</u>
TOTAL CURRENT ASSETS	<u>6,146</u>
NONCURRENT ASSETS:	
Restricted Cash	29,460
Capital Assets:	
Land	1,000
Equipment	2,949
Sewer System Improvements	345,000
Water Distribution System	1,381,739
Less Accumulated Depreciation	(659,406)
Construction in Progress	<u>16,812</u>
Capital Assets, net	<u>1,088,094</u>
Other Assets	<u>30</u>
TOTAL NONCURRENT ASSETS	<u>1,117,584</u>
TOTAL ASSETS	<u>1,123,730</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	30,894
Retainage Payable	14,800
Accrued Expenses	406
Due to General Fund	7,284
Accrued Interest Payable	987
Current Maturities of Long-Term Debt	<u>5,325</u>
TOTAL CURRENT LIABILITIES	<u>59,696</u>
NONCURRENT LIABILITIES:	
Customer Deposits	11,827
Long-Term Debt	<u>168,312</u>
TOTAL NONCURRENT LIABILITIES	<u>180,139</u>
TOTAL LIABILITIES	<u>239,835</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	913,470
Restricted for Repairs and Maintenance	12,077
Restricted for Debt Service	9,149
Unrestricted	<u>(50,801)</u>
TOTAL NET ASSETS	<u>\$ 883,895</u>

See accountant's compilation report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Water and Sewer Enterprise Fund
OPERATING REVENUES	
Water Sales	\$ 43,573
Sewer Charges	<u>26,971</u>
TOTAL OPERATING REVENUES	<u>70,544</u>
OPERATING EXPENSES	
Accounting	7,150
Bad Debt Expense	101
Depreciation	37,007
Dues	794
Insurance	1,572
Miscellaneous	40
Office Supplies	777
Outside Services	6,900
Professional Fees	1,596
Safe Drinking Water Fee	213
Salaries	6,000
System Repair and Maintenance	35,112
System Supplies and Expense	875
Taxes-Payroll	459
Telephone and Utilities	<u>17,845</u>
TOTAL OPERATING EXPENSES	<u>116,441</u>
OPERATING LOSS	(45,897)
NON-OPERATING REVENUES AND (EXPENSES)	
Interest Income	154
Interest Expense	<u>(9,231)</u>
NET NON-OPERATING REVENUES (EXPENSES)	<u>(9,077)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(54,974)
CAPITAL CONTRIBUTIONS	29,132
TRANSFERS OUT	<u>(2,392)</u>
CHANGE IN NET ASSETS	(28,234)
TOTAL NET ASSETS - BEGINNING	<u>912,129</u>
TOTAL NET ASSETS - ENDING	<u><u>\$ 883,895</u></u>

See accountant's compilation report.

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Water and Sewer Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 70,731
Cash Payments for Goods and Services	(55,348)
Cash Payments for Salaries and Wages	(6,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,383</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers to General Fund	(2,392)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(2,392)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Grant	29,132
Principal Payments on Revenue Bonds	(5,206)
Interest Payments on Revenue Bonds	(9,206)
Construction Costs	(24,332)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(9,612)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	154
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>154</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,467)
CASH AT BEGINNING OF YEAR	<u>31,927</u>
CASH AT END OF YEAR	<u>\$ 29,460</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (45,897)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities--	
Depreciation	37,007
(Increase) Decrease in Accounts Receivable	(188)
(Increase) Decrease in Prepaid Insurance	(228)
Increase (Decrease) in Accounts Payable	18,263
Increase (Decrease) in Accrued Expenses	51
Increase (Decrease) in Customers' Deposits	375
Total Adjustments	<u>55,280</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 9,383</u>

See accountant's compilation report.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF DOWNSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
--BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Franchise Taxes	\$ 4,700	\$ 4,850	\$ 4,917	\$ 67
Licenses	0	40	40	0
Fines and Forfeitures	500	0	0	0
Intergovernmental				
State Supplemental Pay	0	0	5,100	5,100
Revenue Sharing	0	12	12	0
Contributions	0	355	20,955	20,600
Miscellaneous	0	1,467	1,514	47
Interest	40	11	12	1
TOTAL REVENUE	<u>5,240</u>	<u>6,735</u>	<u>32,550</u>	<u>25,815</u>
EXPENDITURES				
General Government				
Beautification Committee	1,200	156	1,526	(1,370)
Dues	125	40	40	0
Insurance	0	1,703	0	1,703
Miscellaneous	500	150	1,364	(1,214)
Office Supplies	160	76	68	8
Travel	500	0	0	0
Police				
Auto Maintenance and Repairs	300	250	185	65
Insurance	775	775	765	10
Salaries	3,360	4,260	9,360	(5,100)
Supplies	150	0	187	(187)
Streets				
Street Lights	2,500	2,850	2,854	(4)
Park and Recreation				
Dues	0	0	550	(550)
Miscellaneous	500	300	300	0
Mowing Fees	500	200	200	0
Capital Outlay	0	3,600	1,216	2,384
TOTAL EXPENDITURES	<u>10,570</u>	<u>14,360</u>	<u>18,615</u>	<u>(4,255)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,330)	(7,625)	13,935	21,560
OTHER FINANCING SOURCES				
Operating Transfer In--Utility Fund	5,860	2,760	2,392	(368)
TOTAL OTHER FINANCING SOURCES	<u>5,860</u>	<u>2,760</u>	<u>2,392</u>	<u>(368)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	530	(4,865)	16,327	21,192
FUND BALANCE (DEFICIT)-BEGINNING	<u>31,058</u>	<u>31,058</u>	<u>(1,826)</u>	<u>(32,884)</u>
FUND BALANCE-ENDING	<u>\$ 31,588</u>	<u>\$ 26,193</u>	<u>\$ 14,501</u>	<u>\$ (11,692)</u>

See accountant's compilation report.

OTHER REPORTS

VILLAGE OF DOWNSVILLE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION I FINANCIAL STATEMENT FINDINGS

FINDINGS

2008-1 An unfavorable budget variance in excess of 5% for expenditures. Supplemental police salaries were not included in the budget *of the general fund, resulting in actual* expenditures being 30% more than was budgeted. I recommend the mayor include supplemental police salaries in the general fund budget for 2009.

MANAGEMENT'S RESPONSES

The mayor, Reggie Skains, will propose amendments to the general fund budget to include supplemental police salaries in 2009.

VILLAGE OF DOWNSVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION I AGREED-UPON PROCEDURES REPORT

FINDINGS	CURRENT YEAR STATUS
2007-1 Engagement was not completed within six months of the close of the year.	Resolved.
2007-2 Unfavorable budget variance in excess of 5% for revenue.	Unresolved. See 2008-2